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17 UNITED STATES BANKRUPTCY COURT
18 NORTHERN DISTRICT OF CALIFORNIA
19 SAN FRANCISCO DIVISION

20 In re
21 AT HOME CORPORATION, et al.
22 Debtors.

Case No. 01-32495-TC

Chapter 11

(Jointly Administered)

NOTICE OF MOTION AND MOTION TO
DESIGNATE CLASS 7 COMMITTEE
MEMBERS

Tentative Hearing Date [B.L.R. 9014-1]

Date: June 20, 2005
Time: 9:30 a.m.
Place: Courtroom 23
235 Pine Street, 23rd Floor
San Francisco, CA 94104

23 PLEASE TAKE NOTICE that the Class 7 Committee will and hereby does move
24 this Court for an Order designating Michael Katto as a member of the Class 7 Committee in lieu
25 of Lang Gerhard (for West Highland Capital, Inc.) effective May 1, 2005. Pursuant to B.L.R.

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FILED
MAY 12 2005
UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

1 9014-1(b)(3), the Class 7 Committee requests that the Court grant the motion without a hearing,
2 unless a hearing is requested by a party in interest.

3 PLEASE TAKE FURTHER NOTICE THAT BANKRUPTCY LOCAL RULE
4 9014-1 OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN
5 DISTRICT OF CALIFORNIA CONTAINS THE PROCEDURES TO BE FOLLOWED ON
6 THIS MOTION. Pursuant to B.L.R. 9014-1, any objection to the requested relief, or any request
7 for hearing on the matter, must be filed with the Court and served upon the Class 7 Committee's
8 counsel within 20 days of the mailing of this Notice. A request for hearing or an objection must
9 be accompanied by any declarations or memoranda of law the objecting or requesting party
10 wishes to present in support of its position. If there is no timely objection or request for hearing,
11 the Court may enter an Order granting the motion by default. A tentative hearing date has been
12 set for June 20, 2005.

13 The Class 7 Committee's motion is based on this Notice, the Court's August 15,
14 2002 Order Confirming the Debtors' Joint Chapter 11 Plan of Liquidation, the accompanying
15 argument, and any further evidence and argument that the Court may consider.

16 **I.**

17 **ARGUMENT**

18 On August 15, 2002, this Court entered an Order (the "Confirmation Order")
19 confirming the Debtors' Joint Chapter 11 plan of liquidation (the "Plan"). The Plan divides
20 substantially all the Debtors' assets among its creditors. Among the Debtors' assets are certain
21 potential claims against former majority shareholders of the Debtors (the "Controlling
22 Shareholders Related Litigation").

23 As originally drafted, the Plan allocated the entire value of the Controlling
24 Shareholders Related Litigation to the Debtors' bondholders. The Court found that this
25 allocation violated the absolute priority rule, and the Debtors modified the Plan to distribute
26 excess recovery (i.e., an amount greater than the unsecured debt plus interest plus costs of
27 litigation) to the Debtors' equity security holders. The Confirmation Order provides for a post-
28 confirmation committee of equity security holders: "[T]he Class 7 Committee is hereby

1 formed, and Lang Gerhard representing West Highland Capital Inc. and Michael Katto are
2 appointed as the initial members of the Class 7 Committee . . . which membership may be
3 adjusted by subsequent order of this Court.”

4 Mr. Katto originally declined to serve on the Class 7 Committee, and two other
5 equity security holders (Brian Lewis and Michael Kelly) agreed to serve in his stead. By prior
6 order, this Court approved the new composition of the Class 7 Committee (i.e., Mssrs. Gerhard,
7 Kelly and Lewis). Mr. Gerhard no longer wishes to serve on the Committee, but Mr. Katto is
8 willing to re-join the Committee to serve in his place. Mr. Katto is qualified to serve on the
9 Committee (as evidenced by this Court’s original appointment). In addition, Mr. Katto’s
10 appointment to the Committee would give the Committee three members and avoid the
11 possibility of deadlocked votes.

12 **II.**

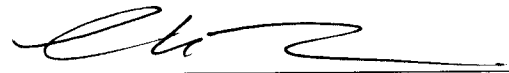
13 **CONCLUSION**

14 Based on the foregoing, the Class 7 Committee respectfully requests that this
15 Court designate Michael Katto as a member of the committee in lieu of Lang Gerhard effective
16 May 1, 2005.

17 Dated: May 8, 2005

SONNENSCHN NATH & ROSENTHAL LLP

19 By:



20 Christopher E. Prince

21 Attorneys for the Class 7 Committee
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SEE ATTACHED SERVICE LIST

Executed May 11, 2005, at Los Angeles, California.

Hilda Zepeda

SERVICE LIST

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